

Economic Impact Statement

LSA Document #18-6

IC 4-22-2.1-5 Statement Concerning Rules Affecting Small Businesses**Description of Rulemaking**

The Department of Local Government Finance (Department) proposes a rule that does the following: requires GIS functionality to be linked to an assessment system; standardizes the number of years that data in an assessment system must be stored; allows a waiver from storing oil and gas assessed value data if the assessed value constitutes 0.01% or less of the county's total gross assessed value; requires unique identifiers for personal property filers and tax increment finance allocation areas; specifies the order of the application of property tax deductions across assessed value allocations and to annually assessed mobile homes; requires counties to be able to generate file extracts from their property tax management system to be uploaded onto gateway; requires that reporting systems include a list of taxpayers requesting electronic tax statements and a lock modification tracking document for tax and billing systems; requires integration of parcels under appeal in the computer aided mass appraisal system to the tax and billing system; includes in the definition of "major change" a county conversion of one or modules of its property tax management system; clarifies the vendor certification process to more closely follow the phases of testing functionality, including recertification; updates the property tax data file formats for real property, personal property, annually assessed mobile homes, and state distributable property; and removes a requirement that a county undergo an independent certification by an entity approved by the Department. Statutory authority: [IC 6-1.1-31-1](#); [IC 6-1.1-31.5-3.5](#).

Estimated Number of Small Businesses Impacted by this Rule:

The Department estimates that no small businesses will be impacted by this rule. The rule itself is "business neutral" in that it should have no direct or indirect effect on business. Counties already have the option of hiring vendors to develop and maintain property tax management systems or develop an in-house system. While a vendor's eligibility to enter into a contract with a county may be affected by its compliance with the certification requirements, such compliance is mandated by state law and the proposed rule only alters what a system must provide to be compliant.

It is likely that certified vendors, as well as any other vendor seeking to be certified by the Department, will have to change the preexisting systems used by the counties. The costs, if any, for programming the changes will likely be accounted for in the vendors' contracts with the counties as part of their routine maintenance of the systems.

Estimated Average Annual Administrative Costs That Small Businesses Will Incur:

The Department estimates that small businesses will incur minimal or no additional administrative expenses resulting from this rule because no additional reporting or filing requirements will be added or created by the proposed rule. While the proposed rule changes what information must be included or accommodated in a property tax management system certified by the Department, the requirement to be compliant with Department regulations predates this proposed rule and is required by state law.

Estimated Total Annual Economic Impact on Small Businesses:

The Department estimates that there will be no financial impact on small businesses as a result of this rule. It is possible that a vendor may have to make changes to existing software in order to maintain compliance. Such changes, however, would be part of the certification process as required by state law. Any costs to the vendors to make changes will likely vary based on the vendors' individual software programming resources.

- Supporting Data, Studies, and Analyses: Because no financial impact is expected as a result of this rule, no supporting data, studies, or analyses were relied upon by the agency in its determination.

Justification of Requirement or Cost:

[IC 6-1.1-31.5-3.5](#) requires the Department to adopt rules for the establishment of a uniform and common property tax management system for all counties. A county that desires to hire a vendor to develop and maintain a property tax management system may do so only if that vendor is certified by the Department. The proposed rule simply includes changes to the already prescribed standards and is not expected to significantly increase costs to vendors providing the above services.

Regulatory Flexibility Analysis of Alternative Methods:

The Department did not conduct a regulatory flexibility analysis of alternative methods. Additionally, because no financial impact is expected as a result of compliance with this rule, neither less stringent nor more simplified

requirements are necessary for this rule.

- Supporting Data, Studies, and Analyses: Because of the nature of the rule, no supporting data, studies, or analyses were conducted.

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